

CONNECTICUT ASSOCIATION OF HEALTH CARE FACILITIES, INC.

February 11, 2016

Written testimony of Matthew V. Barrett, Executive Vice President of the Connecticut Association of Health Care Facilities (CAHCF) concerning the Governor's Midterm FY 2017 Budget Adjustment Recommendation

Good evening Senator Bye, Representative Walker and to the members of the Appropriations Committee. My name is Matthew V. Barrett. I am Executive Vice President of the Connecticut Association of Health Care Facilities (CAHCF).

I am here this evening with a simple message from our one hundred and sixty member association of skilled nursing facilities and rehabilitation centers (SNFs), and on behalf of the residents and their caregivers: *Our nursing facilities need your help.* CAHCF is very mindful and understanding of Connecticut's fiscal challenges. However, we think it remains critically important to let the Appropriations Committee know that investment in our state's skilled nursing facilities must be a priority. Yet year after year---now going on ten years---the adopted budget removes all statutory and regulatory inflationary increases for nursing homes. Effectively, this means nursing homes have been flat funded for a decade.

Nursing home operators from around the state are testifying this evening to let you know about the challenges of delivering high quality care under these circumstances.

The message from the operator's point of view is being plainly expressed this evening----they need your help. The skilled nursing facilities just can't continue on a path where no help is provided without putting undue pressure on our employees and jeopardizing quality.

Connecticut nursing facilities remain in a period of ongoing financial distress. The gap under Medicaid between providing care and its costs is widening dramatically. This year nursing home providers will on average be reimbursed \$25.43 per patient day less than what it costs to care for our residents. For the typical nursing facility, this represents over \$500,000 per year in unfunded costs. Again, there has been no general Medicaid rate increases in the system since 2007, except for increase made possible by raising the user fees paid by nursing homes themselves. A badly needed wage enhancement program adopted last session for our employees was a very important step in the right direction, but it doesn't address the underlying funding shortfall.

There has been a sustained period of nursing facility receiverships, bankruptcies, closures, and Medicaid hardship rate relief requests. Yet there are 1 million baby boomers in Connecticut. There are 600,000 residents in Connecticut over the age of 60. Connecticut's aging population is among the oldest in the Nation, with over 160,000 Connecticut citizens over the age of 80 according to a December 2012 report issued by the U.S. Census Bureau. Much is being asked of our nursing facilities today, and more will be asked in the future, given the dramatic aging of our population. As the state continues in the direction of long term care rebalancing and rightsizing, these changes will mean that the acuity and numbers of nursing facility residents will continue to rise measurably as our population ages, even as more residents choose home and community based environments to receive their care.

We are asking that you consider these issues carefully as you develop this year's budget adjustment. I would be happy to answer any questions you may have.

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